

FISCAL NOTE

Bill #: HB0560

Title: Funding for building at Helena College of Technology

Primary Sponsor: Kaufmann, C

Status: As Introduced

Sponsor signature	Date	Chuck Swysgood, Budget Director	Date
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Fiscal Summary

	FY 2004 Difference	FY 2005 Difference
Expenditures:	\$0	\$0
Revenue:	\$0	\$0
Net Impact on General Fund Balance:	\$0	\$0

- | | |
|---|---|
| <input type="checkbox"/> Significant Local Gov. Impact | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input checked="" type="checkbox"/> Significant Long-Term Impacts |
| <input type="checkbox"/> Dedicated Revenue Form Attached | <input type="checkbox"/> Needs to be included in HB 2 |

Fiscal Analysis

ASSUMPTIONS:

1. A G.O. bond in the amount of \$7.2 million will be issued in May 2005.
2. There will be no debt service required in the 2005 biennium to retire this bond. The debt service will begin in FY 2006 and is calculated based on a 5.25 percent interest rate, in accord with information provided by the Department of Administration in consultation with state financial advisors.
3. The bond will be retired by the general fund over a 20-year term.
4. The Helena College of Technology (HCOT) of the University of Montana will pay any costs that are incurred in the 2005 biennium for design of the facility from its resources.
5. The Board of Regents is authorized to sell or lease properties that are not needed after the completion of the construction project and apply those funds to the non-bonded project funding, pursuant to 20-25-307. MCA.
6. The Board of Examiners may increase G.O. bonding on the project above the \$7.2 million authorized, provided that funds raised by the HCOT through donations or the sale or lease of properties creates a non-general fund revenue stream sufficient to retire the increased debt.
7. If the G.O. bond for the project is increased above \$7.2 million, the authority from "Other Funding Sources" in Section 2 of the bill will be reduced by a like amount and there will not be any other general fund impact.
8. The HCOT first full fiscal year of occupancy will be FY 2007 and its general fund present law base budget will be reduced by \$100,000 at that time. The savings will result from consolidation of the

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facilities, which now are split in six buildings at four locations, primarily at the Helena Regional Airport and on Roberts Street.

9. The new building will be 40 percent larger than the Donaldson building on Roberts Street, but will incorporate cost effective energy conservation features so there will be only nominal additional utility cost. Additional operations and maintenance costs will be about \$90,000 which will be offset against savings in assumption # 8.

FISCAL IMPACT:

None in the 2005 biennium.

LONG-RANGE IMPACTS:

If this bill is approved, the general fund debt service will increase by approximately \$590,056 beginning in FY 2006 based on a possible 5.25 percent interest rate. (Also see supporting documentation below).

SUPPORTING DOCUMENTATION:

The State of Montana general fund debt service plan is as follows:

Debt Service Plan for All Approved Projects

Fiscal Year	Current General Fund Debt	New General Fund Debt (HB 560)	Revised General Fund Debt
2003	17,095,560		17,095,560
2004	18,272,490		18,272,490
2005	17,661,323		17,661,323
2006	18,726,829	590,056	19,316,885
2007	18,742,930	590,056	19,332,986
2008	18,659,466	590,056	19,249,522
2009	14,292,775	590,056	14,882,831
2010	13,914,408	590,056	14,504,464
2011	11,643,703	590,056	12,233,759
2012	11,644,603	590,056	12,234,659
2013	11,646,374	590,056	12,236,430
2014	11,583,959	590,056	12,174,015
2015	9,877,675	590,056	10,467,731
2016	8,394,922	590,056	8,984,978
2017	8,413,751	590,056	9,003,807
2018	8,163,442	590,056	8,753,498
2019	5,377,117	590,056	5,967,173
2020	4,116,558	590,056	4,706,614
2021	2,810,214	590,056	3,400,270
2022	1,960,231	590,056	2,550,287
2023	1,955,369	590,056	2,545,425
2024	1,207,814	590,056	1,797,870
2025	405,764	590,056	995,820
Totals	236,567,277	11,801,129	248,368,406

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